

FISCAL IMPACT STATEMENT ON BILL NO. **S.1239**

(Doc. No. 27141bb08.doc)

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TO:	The Honorable John E. Courson, Chairman, Senate Education Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Bryce Wilson		
DATE:	April 8, 2008	SBD:	2008185

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AUTHOR:	Senator Richie	PRIMARY CODE CITE:	40-9-120
SUBJECT:	Doctors of Chiropractic Public Service Incentive Program		

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ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

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**BILL SUMMARY:**

This Bill would amend the Code of Laws so as to enact the Doctors of Chiropractic Public Service Incentive Program that would provide for student loan reimbursement in specified amounts for practicing chiropractors who graduated from an accredited SC chiropractic college or university. The SC Student Loan Corporation would administer the program and they along with the Commission on Higher Education (CHE) would be responsible for submitting reports on the program to Senate Finance Committee and House Ways and Means Committee by the first of each fiscal year.

**EXPLANATION OF IMPACT:**

This Bill would allow eligible chiropractors to receive up to \$2,000 in loan reimbursement payments after two years of continuous service. These payments may increase by up to \$1,000 for each additional year of continuous service but may not exceed \$5,000 in any given year. The cost of the loan repayment provision is estimated at \$2 million the first year for current eligible chiropractors. This estimate is based on data from the only in-state college for which this Bill would apply which has approximately 580 graduates residing in the State. Of this total, approximately 450 have graduated within the last 25 years. Based on information from the SC Student Loan Corporation, it normally takes 25 years to pay loans of this size off which are estimated at \$145,000 on average per graduate. It is assumed that 70% of the 450 would be at the \$5,000 reimbursement level and 10% each are at the \$4,000, \$3,000, and \$2,000 level respectively. This impact does not consider the effect of the loan financing rate (standard rate currently 6.8%) on the outstanding loan balance. CHE estimates the annual administrative cost to be \$160,000. The Bill contains no provision limiting the loan reimbursement program to those Chiropractors who graduate after a certain date.

CHE estimates the average number of additional qualifying students each year to be 111. Therefore, costs could progressively increase each year as new graduates become eligible for the benefit. However, insufficient data exists to project the net overall cost after the first year.

Approved by:



Harry Bell  
Assistant Director, Office of State Budget